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MID-TERM REVIEWS OF COUNTRY AND INTERCOUNTRY PROGRAMMES

Mid-term review of the fourth country programme for Yemen*

PREFACE

1. As indicated in section I.B of this report, the mid-term review of the fourth country programme for Yemen culminated in a one-day formal meeting on 4 April 1990.

2. At the time of the mid-term review, it was considered premature to assess the implications of the unification of the two Yemens on the implementation of the two country programmes. However, immediately following the declaration of a unified Republic of Yemen on 22 May 1990, the Director of the Regional Bureau for Arab States and Europe undertook a consultation mission to Sana'a and Aden. On that occasion, the Regional Director advised all parties concerned that a Technical Review Mission would be sent shortly to Yemen to assess the impact of unification on the integration of United Nations Development Programmes (UNDP) funded programmes and field offices.

3. The Technical Review Mission took place during the period 14-30 July 1990 and submitted a comprehensive report to the Government and UNDP for consideration. The proposed plan of action covering both substantive and management issues is now being implemented. In his introductory remarks to the members of the Governing Council at its special session in February 1991, the Regional Director for Arab States and Europe will highlight the action taken since the mid-term review of the country programme as well as the implications of unification on the remainder of the fourth cycle as well as on the fifth cycle.

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* On 22 May 1990 Democratic Yemen and Yemen merged to form a single State. Since that date they have been represented as one Member with the name "Yemen".

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I. INTRODUCTION

A. Brief outline of the country programme

4. The fourth country programme for Yemen (1988-1992) was prepared in 1987 and approved by the Governing Council at its special session in February 1988. Its resources included an indicative planning figure (IPF) of $27,798,000 and other funds programmed at $13,317,000 (see annex I) for a total programme of $41,115,000.

5. The programme was formulated in a climate of continuing slow economic growth and budget deficits caused mainly by reduced remittances from migrant workers. Even the discovery of modest oil reserves, with the start of petroleum export in November 1987 was unable to reduce the budget deficit. The currency remained overvalued and import restrictions introduced by the Government austerity programme continued to be in force. This situation was aggravated by the lasting effects of the severe drought which affected the country from 1982-1985 and the cost of the reconstruction and development of regions affected by the earthquake of 1982.

6. Under the Third Five-Year Plan (1988-1992), the strategy of the Government was to increase productivity in agriculture, energy and manufacturing sectors; decrease imports and promote self-sufficiency through exploitation of national natural resources; and develop human resources at all levels.

7. To assist the Government in implementing this strategy, the fourth country programme for Yemen concentrated the support provided by UNDP on: (a) raising agricultural food security; (b) rational use of water resources; (c) improvement of the productivity and efficiency of the industrial sector; (d) raising the level of health; and (e) other projects, mainly devoted to human resources development through training.

B. Organization of the mid-term review

8. Following a series of discussions concerning implementation of the country programme held between UNDP, the Central Planning Organization and line ministries involved in the programme, data collection, intensive review of the programme with the assistance of a consultant and a series of Tripartite Reviews, which served to help identify project implementation problems, a comprehensive policy was prepared and then examined in depth with the Central Planning Organization in February 1990.

9. The mid-term review was held on 4 April 1990 with the participation of the staff of the Central Planning Organization. Although the meeting reviewed all aspects of UNDP assistance to Yemen, it was mainly concerned with programme management issues and new priorities for technical co-operation needs.

II. FINANCIAL DATA

10. Resources available to Yemen under the fourth IPF cycle (1987-1991) totalled $26,763,000 (including a carry-over from the third cycle of $3,598,000). At the time of the mid-term country programme review, the IPF resources available for the fourth country programme amounted to $34,500,000. Furthermore, the actual resource situation at the time of the review, compared with that taken into account for programming, showed the following changes: cost-sharing: $1,744,000; Special Measures Fund for the Least Developed Countries: $1,709,000; and other sources (United Nations Capital Development Fund (UNCDF), United Nations Development Fund for Women (UNIFEM) and United Nations Fund for Science and Technology for Development (UNFSTD)): $3,350,000.

A. IPF funds committed to new projects during the period under review

11. At the time of the review, the budgets approved against IPF resources amounted to $31,176,469 and represented an undercommitment of $3,323,531 (10 per cent). The review meeting confirmed a policy of financial responsibility and adopted a target of 15-20 per cent for possible borrowing against the IPF resources of the next cycle. The remaining funds were to be used only in strictly defined priority areas of technical co-operation.

B. Expenditures against approved projects during the review period

12. Expenditures for 1988 and 1989 were $6,138,000 and $8,550,000 respectively, adding up to $14,688,000 at the time of the review. Approximately 50 per cent of the funds budgeted for the country programme had been delivered, with expenditures expected to peak in 1990, thus bringing this percentage closer to the 80 per cent mark at that year's end.

C. Comparison of planned project list against actual project approvals

13. The country programme identified eight ongoing projects and 24 new project ideas. These 32 projects were budgeted at $20,929,000. Of the originally planned new project ideas, 14 were approved and ten were discontinued. A surge of new programming was also seen in 1988. Altogether, 27 totally new project ideas were identified, of which 21 were approved at a cost of $8,105,000; thirteen of them were listed in the country programme under the "other projects" category and claimed 57 per cent of additionally programmed resources. At the beginning of the cycle, there were 20 ongoing projects, of which 12 were being phased out. They were not, therefore, reflected in the country programme document. The assumption was that those projects would not continue. Some of them did, however, engaging $618,000 of IPF resources.

READEX FICHE

III. PROGRAMME ANALYSIS

A. Progress in programme implementation

Raising agricultural productivity and food security

14. Within the four priority areas, agriculture and food security had the second highest allocation at the time of the review: $8,658,000 or 28 per cent of the committed IPF resources. The Government's primary objective in this concentration area was to stimulate production with a view to improving food security, reducing post harvest losses and food imports, and eventually producing an exportable surplus. The UNDP projects in this sector had, at the time of the review: (a) strengthened the management of the sector by providing training and direct support to the Ministry of Agriculture; this assistance proved to be essential as a precondition for a loan by the World Bank aimed not only at reorganizing that Ministry but also at establishing the technical capacity required to cope with the complex task of managing agricultural development in the northern part of the country; (b) demonstrated the viability of establishing a national agricultural training centre; (c) advanced the preparation of the first soil map of Yemen; and (d) enabled the transmittal of two technology packages for the protection of irrigated land through sand-dune stabilization (Ma'rib) and the reduction of post harvest food losses.

Improving the productivity and efficiency of the industrial sector

15. Improved productivity and efficiency of the industrial sector received $5,494,000 or 18 per cent of resources. The assistance was aimed at strengthening the capacity of the Ministry of Economy, Supply and Trade to: (a) improve the mechanisms for controlling industrial production standards; (b) register industries; (c) provide advisory services to small and medium-sized industries; and (d) upgrade the industrial statistical data base for planning purposes. The second strategic objective in this area was to revive the micro-industries subsector through the promotion of traditional handicrafts.

Rationalizing the use of water resources

16. This objective accounted for 14 per cent of the approved IPF resources, or $4,388,000. One of the two projects in this sector initiated the establishment of a Technical Secretariat at the High Water Council. The second project demonstrated efficient water practices in agriculture through a pilot irrigation scheme in the Sana'a Governorate.

Raising health levels

17. Only $1,100,000, or 4 per cent of the approved IPF allocations, was provided for raising public health standards. The programme in this area provided equipment for the Central Public Health Laboratory, established a food control inspectorate and carried out a feasibility study for the central hospital in Sana'a.

Other projects

18. The remaining 24 approved projects, which constituted the largest allocation of $10,886,000 or 35 per cent of resources, have established one of the leading telecommunication training centres in the region; contributed to the functioning of the meteorological services in the country; provided trained staff in the field of civil aviation; provided input in the establishment of the statistical, planning and audit capability of the Government; assessed national mineral resources; cut electric power losses; and managed the campaign of restoration and preservation of the Old City of Sana'a.

B. Operational problems in the country programme

19. The main problems faced in the implementation of the programme were: (a) a loss in focus due to the large number of added pipeline projects not originally foreseen in the country programme document; these responded, however, to genuine Government technical co-operation needs and fitted into the broad categories of priorities identified in the country programme; (b) weak agency backstopping, which led to the closing of some projects already approved, and was particularly noticeable in the case of public health-related projects; (c) insufficient Government counterpart support, reflected in inadequate financial and human resources (staff, premises, inadequacy of operational budget), which in some instances prevented the effective transfer of technology by the international experts.

C. Other programme issues

Effectiveness of technical assistance utilized

20. In light of the difficulties and delays encountered in execution modalities, the review concluded that the largest possible spectrum of executing modalities should be envisaged, with emphasis on national execution as well as on non-traditional executing agents such as qualified private consultancy firms and non-governmental organizations (NGOs). Among the difficulties met in this regard are the inadequate support to the posting of international experts, particularly chief technical advisers and problems in identifying sufficiently qualified national professionals at the managerial and technical levels. To date, national execution and technical co-operation among developing countries (TCDC) have been little utilized in the UNDP programme and should be encouraged. However, United Nations volunteers proved to be a useful and efficient modality in the majority of the projects and have had a positive effect on the programme as a whole. Similarly, it was felt that aid co-ordination support mechanism provided by UNDP in the attainment of self-sufficiency by the Government has proven to be effective.

Programme adjustments and recommendations in response to actual or anticipated changes in the political or economic environment

21. The initial programme objectives remain intrinsically relevant but require narrower focus. In this regard the review recommended that UNDP concentrate on: (a) development and management of Yemen's natural resources i.e., land, water, mineral and human resources and (b) enhancement of the Government's ability to manage development.

22. At the time of the mid-term review, such co-ordination-oriented processes as round-table meetings and national technical co-operation assessments and programmes (NaTCAPs) were not considered. However, the Government fully appreciates its management responsibility and programme framework, resource mobilization and consultation on policy issues. In addition, the unification process brought about the need to initiate a policy dialogue at the central level through the organization of a round-table meeting to be held in 1991. This exercise will hopefully assist the new country in developing a much needed genuine partnership framework, resource mobilization and improved aid co-ordination.

IV. RECOMMENDATIONS

23. Among adjustments recommended to the programme management were that the capacity and availability of national counterparts be determined at the project-design stage. Preparatory assistance should be systematically envisaged and the training of project national staff provided whenever possible prior to the arrival of internationally recruited experts. Programme concentration areas should be redefined in view of restoring the focus, while non-priority projects should be gradually terminated.

24. Modifications were also suggested in policy areas which would enable the programme adequately to address issues such as TCDC and women-in-development requirements. The latter constitutes the only policy theme mentioned in the country programme; although women were considered as beneficiaries in several projects, the actual impact of this operation has yet to be totally evaluated. The environment was also part of such recommendations, since Yemen's development is greatly dependent on environmental protection and improvement based on the introduction of projects containing environmentally acceptable solutions.

25. In the light of the existence of several important projects aimed at the development of the private sector it was suggested that this policy issue be also addressed at the macro-economic policy level.

26. The meeting anticipated the forthcoming unification and the creation of the Republic of Yemen. While hoping that the technical co-operation priorities described above would remain valid, the meeting noted that unification might dictate a totally new agenda for technical co-operation. Therefore, it recommended the shortening of the present country programme period by one year (to end in 1991) and the development of the new country programme for 1992-1996 in accordance with emerging technical co-operation needs. Meanwhile, it was decided that substantial

efforts be made to streamline the present programme and overcome bottlenecks felt in the interaction of Government and executing agency counterparts in project implementation.

Annex

FINANCIAL SUMMARY AS OF MARCH 1990

I. RESOURCES TAKEN INTO ACCOUNT	At start of country programme (1988-1992)	At time of MTR (1988-1992)
IPF allocations (including third cycle carry-over)	27 798 000	34 500 000
Government cost-sharing	576 000	602 000
Third-party cost-sharing	-	1 142 000
Subtotal of IPF-linked resources	28 374 000	36 244 000
Other funds under authority of Administrator (e.g. UNCDF, SPR, UNIFEM, UNFSTD, UNRFNRE, SMF)	12 741 000	5 059 000
Total resources taken into account	41 115 000	41 303 000

II. USE OF RESOURCES a/	At start of country programme	At time of MTR
Approved projects	6 611 700	31 176 469
Pipeline projects	16 725 150	5 067 531
Unprogrammed resources	5 037 150	-
Total	28 374 000	36 244 000

a/ IPF plus cost-sharing.